

NSC BRIEFING

24 September 1954

## SITUATION IN SOUTH VIETNAM

- I. Vietnamese crisis likely to be resolved by intrigue, not force.
- A. Either way, French troops major factor.
1. 100,000 French troops in south; 67,000 still in north; they far outclass Viet army (145,000 in south, 35,000 in north.)
- B. Also, French control arms supply.
1. This bears on failure senior Viet officers support Diem.
- C. Diem has no reliable armed force.
1. But army rank and file would not be likely to move against him.

State Department review completed

2. Warlords uncommitted--

Cao Dai has 10,000; dis-  
united Hoa Hao has 15-  
20,000; Binh Xuyen 3-5,000.

II. Diem needs Cao Dai and Hoa Hao.

- A. With their support, he can  
maneuver politically on  
assumption French will not  
permit armed strife.
- B. Hoa Hao and Cao Dai now hostile  
Binh Xuyen, splitting earlier  
alliance.
- C. Cao Dai keep telling US embassy  
they and Hoa Hao about to back  
Diem.
  - 1. Say French giving con-  
tradictory advice this  
matter.
  - 2. French subsidies to sects  
give them leverage.

25X1

III. Bao Dai key factor in situation.

- A. Legal arbiter of govt change.
- B. All parties pressing him.
- C. French say Bao Dai will oust  
Diem in few days.

25X1

IV. French actions aid Viet Minh.

V. Viet Minh interested in political  
crisis in south.

25X1

25X1

25X1

1. Thus, French and Viet  
Minh have common desire  
govt in south which weak,  
not pro-US.

4

25X1